

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

UNITED STATES OF AMERICA,

CRIMINAL NO. 17-20363

vs.

HON. ROBERT H. CLELAND

D-1 PAULIN MODI,

Defendant.

**SENTENCING MEMORANDUM OF THE UNITED STATES
AS TO DEFENDANT PAULIN MODI**

The United States of America submits the following memorandum concerning the sentencing of defendant Paulin Modi.

I. INTRODUCTION

Defendant Modi sought to secure and maintain lucrative engineering contracts for his company by paying bribes to public officials. In doing so, Modi sought to gain an economic advantage for his firm and then to personally profit through that corruption. Modi's payment of bribes was further compounded by his willingness to assist executives at another company in paying bribes to a public official.

In the face of his serious criminal activity, Modi has accepted responsibility, actively cooperated in the investigation of other individuals, and then cooperated by

testifying truthfully at the trial of defendant Dean Reynolds. Modi's substantial assistance to the government should be recognized.

Under all of these circumstances, the government believes that a sentence of fourteen months would be fair and just.

II. ARGUMENT

A. The Nature, Circumstances, and Seriousness of Modi's Crime, Just Punishment (18 U.S.C. § 3553(a)(1)-(2))

At the time of his involvement in this criminal conspiracy, Modi was a partner in an engineering company doing business in southeast Michigan. Modi was the lead partner in the firm for Macomb County government business. As such, it was Modi's responsibility to secure business for the firm from public officials in Macomb County. When Modi brought in business for his firm, Modi got credit, and his compensation and the value of his share in the partnership increased accordingly. Modi's criminal activity concerned three separate bribery schemes.

First, in 2013 and 2014, Modi paid three bribes to Steven Hohensee, Washington Township's Superintendent of Public Works. Hohensee oversaw the township's engineering contracts. Modi paid Hohensee a total of \$5,000 in cash in three separate payments, with the hope of maintaining the township engineering contract for Modi's firm. Two of the bribe payments by Modi to Hohensee were done by Modi before Hohensee began cooperating with the FBI.

Second, in January 2015, Modi gave \$25,000 to another public official in the township in order to protect Modi's company's engineering contract there. The official told Modi that the money was to be used to pay for the college tuition of the official's son, and the official characterized the payment by Modi as a "loan."

Third, in 2014, Modi assisted defendants James Pistilli and Robert Maechtle in paying a \$2,000 bribe to Hohensee in order to help Maechtle's company secure an upcoming contract with Washington Township. At the time, unbeknownst to Modi, Hohensee was cooperating with the government in its corruption investigation.

The first two schemes by Modi were done with the intent of maintaining or securing profits for himself and his company. Although the conduct of public officials who take bribes and betray their citizens is serious criminal activity, such crimes would not be possible were it not for bribe payers like Modi. Modi helped to corrupt communities out of a motive of greed, undermining good government and the integrity of the public contracting process.

**B. Deterring the Criminal Conduct of Others
(18 U.S.C. § 3553(a)(2)(B))**

The Court should impose a prison sentence on Modi in order to serve the important purpose of deterring other contractors in this district and beyond from using bribery to gain a commercial advantage over companies unwilling to engage in corruption. *See* 18 U.S.C. § 3553(a)(2)(B). General deterrence has its greatest

impact in white-collar cases, like this one, because these crimes are committed in a more rational and calculated manner than sudden crimes of passion or opportunity. *United States v. Peppel*, 707 F.3d 627, 637 (6th Cir. 2013). Given his position as a partner and part owner of the firm who directly profited from corrupted public contracts, Modi should be punished appropriately.

**C. Protecting the Public from Further Crimes by Modi
(18 U.S.C. § 3553(a)(2)(C))**

Through his acceptance of responsibility and active cooperation, Modi has demonstrated a recognition of the criminal nature of his actions. Given the way Modi has conducted himself since being approached by federal agents, it appears highly unlikely that Modi will seek to commit additional similar crimes in the future.

III. CONCLUSION

Over the course of two years, Modi paid bribes to two public officials in an effort to secure and maintain profitable contracts for his company. In addition, Modi helped another contractor to pay a bribe to a public official so as to corrupt another public contract. Modi's crimes were serious and need to be punished given his role in corrupting public contracts and public officials. A sentence not involving prison, as advocated by the defense, would not fulfill the goals of criminal sentencing in this case.

As set forth separately in more detail, Modi's sentence also should reflect his cooperation with the government through a variety of means in the investigation and prosecution of other individuals.

Respectfully submitted,

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Dated: January 24, 2019

CERTIFICATE OF SERVICE

I hereby certify that on January 24, 2019, I electronically filed the foregoing document with the Clerk of the Court using the ECF system, which will send notification of such filing to the following:

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